



CITY OF PORTLAND

Office of City Auditor Mary Hull Caballero

Ombudsman's Office

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March 2, 2015

Senator Michael Dembrow, Chair
Senate Workforce Committee
900 Court St. NE, Hearing Room C
Salem, OR 97301

Dear Chair Dembrow and Members of the Committee:

My name is Margie Sollinger and I have served as the City of Portland Ombudsman since 2012. The role of the Ombudsman is to investigate complaints about City government and to recommend policy changes toward the goals of fairness and justice in the provision of City services. I ask for your support on SB 584, which will help the City of Portland in its efforts to reverse historic discrimination and support social equity in public contracting.

I have received a number of complaints that state-certified Minority and Women-Owned Business Enterprises (MWBE) are acting as fronts for non-certified firms on City-funded projects by accessing work on these projects and passing the work on to non-certified firms. This fraud undermines the City's efforts to support equity in contracting opportunities and represents a misappropriation of limited public resources.

The governing state statute and accompanying regulations prevent the City and other local contracting agencies from effectively enforcing MWBE program requirements, holding MWBEs accountable for fraudulent conduct on City-funded projects, and ensuring legitimate MWBE firms have access to City contracts, loans and grants. SB 584 would grant local public contracting agencies the authority to take enforcement action against MWBEs that engage in this type of prohibited or fraudulent conduct on publicly funded projects.

For these reasons, I ask for your support on this important legislation.

Respectfully,

Margie Sollinger
Ombudsman, City of Portland